

**Small Business Committee
Subcommittee on Regulations, Healthcare, & Trade
United States House of Representatives**

**Hearing on
The Impacts of Outstanding Regulatory Policy on
Small Biofuels Producers and Family Farmers**

**Testimony of
Zippy Duvall
President, Georgia Farm Bureau Federation
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Madame Chairwoman, Ranking Member Westmoreland, and members of the subcommittee, thank you for the opportunity to appear before you today to talk about the Renewable Fuel Standard (RFS) and how it could impact farmers in my home state of Georgia.

My name is Zippy Duvall, and I am the President of Georgia Farm Bureau. Our organization has more than 400,000 members in Georgia, and we are pleased to be affiliated with the American Farm Bureau Federation.

I am proud to be a farmer. I am a third generation dairyman from Greene County, Georgia. In 2005, I retired from the dairy business. My farm now consists of a 150 commercial beef brood cows, a broiler operation producing 480,000 chickens annually, and about 300 acres of forest land.

Renewable Fuels Standard

Regarding the Renewable Fuels Standard, the farm sector in Georgia strongly supports the increased use of domestic renewable fuels. We believe biofuels are key components to increase our nation's energy security.

Many of us remember the 1970's and the energy problems we experienced at that time. There were long lines at gas stations, and the price of gasoline was so high that retail gas pumps could not reflect the price of gas- consumers had to double the price indicated on the pump.

During those days, the American people vowed to become more energy independent. Unfortunately, we lost our resolve as soon as the price of gasoline began to fall. The result is that today, we find ourselves over that same barrel of oil that held us hostage nearly 40 years ago!

Recent events and 35 years of history ought to teach us that America needs to be more self reliant when it comes to our energy needs. The Renewable Fuels Standard is an important step in recognizing that biofuels like ethanol and biodiesel are clean burning transportation fuels that lessen our dependence on foreign oil and revitalize rural America.

America's farmers today are providing food, fiber, feed, and fuel for our country. We welcome that challenge, and we believe the American people will continue to be well served by our farmers.

Concerns with RFS proposals by EPA

While Georgia farmers look forward to serving the needs of our people, we have some concerns with the proposed regulations offered by EPA. The RFS passed in the Energy Independence & Security Act of 2007 requires new biofuels to emit from 20 to 60 percent fewer green house gas emissions than gasoline to be eligible for the RFS program. Our members have serious concerns about the terms "indirect land use change" and "lifecycle carbon emissions" and how these concepts would be measured and implemented.

We do not believe there is a reliable way to measure or accurately predict how the production of biofuels will affect land use here or in other countries. For our farmers, the market dictates which crops will be planted and where those crops will be grown. If there is sufficient demand for a crop, farmers will produce it. If the market persists, greater efficiency follows.

When my father was a boy, velvet beans were an important crop and 30 bushel corn was considered an average yield. Today, 30 bushel corn would be considered a crop failure, and most people have never seen a field of velvet beans.

Improved plant varieties, new technologies, and more efficient agricultural practices have produced greater crop yields of higher quality. My grandfather could have never imagined today's farm productivity. Likewise, it is unrealistic to think that anyone can predict how agriculture will evolve in the future based on the single variable of biofuels utilization. New and uncertain science to predict land use change has no place in federal regulations.

Renewable Biomass Definition

Georgia produces more forestry products than any other state, and 72% of forestland in our state is privately owned. We believe it is important that forest biomass be a source for renewable fuels.

The RFS in the Energy Independence & Security Act of 2007 did not include all forms of forest biomass, and we believe that is unfortunate. Under the standard, the only forest biomass considered renewable is that from "actively managed tree plantations." My own farm would not qualify under that definition.

The reason for such a narrow definition is unclear, but the result is that many family forest owners will be precluded from active participation. If the purpose of the standard is to increase the use of forest biomass, the definition should be as broad as possible to encourage its use.

Farm Bureau supports changing the definition of renewable biomass to include all forms of forest biomass. It is important that legislation should be as inclusive as possible regarding energy feedstocks and methods. The definition of renewable biomass outlined in H.R. 2454, the “American Clean Energy Security Act,” would be a major improvement. It would also be beneficial by providing a consistent definition of renewable biomass.

Biodiesel Concerns

There are provisions in the Energy Independence & Security Act to grandfather existing corn ethanol plants from the green house gas reduction requirements if construction on the plant was begun before enactment of the bill. However, biodiesel was not offered the same treatment. To require new or existing biodiesel plants to meet the 50 percent reduction standard is unrealistic and unfair to biodiesel producers.

Conclusions

The State of Georgia uses about 5 billion gallons of gasoline annually. Of that amount, about 7 percent is ethanol. We continue to support traditional corn based ethanol. We encourage the federal government to revisit the existing limit on ethanol blending which is currently capped at 10 percent per gallon of gasoline. Moving to a 15 percent blend would encourage more ethanol utilization and replace more foreign oil with domestically produced renewable energy.

Many farmer members of our organization are part-owners of First United Ethanol, LLC, in Mitchell County, Georgia. That facility is now producing 100 million gallons of ethanol per year and adding to the local rural economy.

A cellulosic ethanol plant is under construction in Treutlen County, Georgia. These types of enterprises should be fostered and promoted. There are many challenges to overcome, but we must keep our eye on the final long-term goal of energy independence.

Georgia Farm Bureau supports legislation and policies to provide incentives for public and private industries to produce and market biodiesel, ethanol, and other domestic sources of renewable energy. We support the Renewable Fuels Standard in the Energy Independence & Security Act of 2007.

We believe the indirect land use proposals are unscientific, unproven, and ill advised. Such concepts hinder our efforts to become energy independent.

We support an expanded definition of forest biomass to be as inclusive as possible. Eventually, using more forest biomass will result in more energy which enhances our efforts to become energy independent.

New and existing biodiesel plants should be grandfathered into the program so that we may use their production. We need their product. It seems counterproductive to do otherwise.

We urge continued support for traditional corn based ethanol as well as next generation energy sources.

I thank the committee for its time and consideration.